

CORRECTED FISCAL MEMORANDUM

SB 1786 – HB 1423

May 21, 2007

SUMMARY OF AMENDMENT (008277): Deletes the language of the original bill. Makes a foster child eligible for a transportation scholarship when such child remains enrolled in the child's last school of attendance but outside the resident district or resident school zone within the district. The school district where the foster child remains enrolled shall pay for the transportation to and from the school where the child remains enrolled except where the school of last attendance is more than 30 miles from the new residential placement.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$49,000/Comptroller

Increase Local Govt. Expenditures - \$121,800*

Other Fiscal Impact – Shift in state BEP funding from one LEA to another LEA or from one LEA to a non-public school. For the LEA losing the foster child, the LEA's revenue would decrease; however this would be offset by a decrease in LEA expenditures. LEA revenues and expenditures would increase for the LEA gaining the foster child. The cost of funds shifted is estimated to be approximately \$2,502,100.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On May 10, 2007, we issued a fiscal memorandum for this bill as amended indicating an *increase in local government expenditures of \$109,000*. Based on additional information, the fiscal impact of this bill as amended is estimated as follows:

Increase Local Govt. Expenditures - \$373,000*

Assumptions applied to amendment:

- DCS has the option to allow the affected foster child to remain in the last school of attendance or to be enrolled in the school district of the new residential placement.
- Further, DCS may allow a foster child to remain enrolled in the last school of attendance but may choose to waive the transportation scholarship since some foster parents would pay the child's transportation cost.

- If a foster child is attending a public school within 30 miles of the child's new residential placement, the child could be eligible for a transportation scholarship, unless otherwise waived, to pay for transportation to and from the school where the child remains enrolled.
- According to the Department of Children's Services (DCS) there are an estimated 6,700 foster children in Tennessee's public schools. Approximately 90% (6,000) of all custody children are placed within 75 miles of the home from which they were removed.
- The cost of transportation would depend on the following: the number of foster children placed in new residential placement during the school year; the number of placements that are within 30 miles of the last school of attendance; the number of foster children allowed by DCS to remain in their current school; the number of children whose transportation costs would be waived; the number of days such children would require transportation during the school year; and the method of transporting such children.
- For purposes of this estimate, 5% or 300 foster children could be expected to remain in their current schools and could be eligible to receive a transportation scholarship.
- According to the Department of Education, transportation costs would be calculated using a mileage reimbursement cost of \$.46 a mile since school cars and vans would be the primary means of transporting these children to and from school. The annual cost to provide transportation scholarships to 300 participating students is estimated to be \$373,000 (300 students x average 30 mile round-trip x \$.46 per mile x average 90 days transported).
- Transportation costs could be provided solely by the school of last attendance; by agreement for reimbursement between two schools within an LEA or between two LEAs; or by agreement for reimbursement between a foster parent and the last school of attendance.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rt

